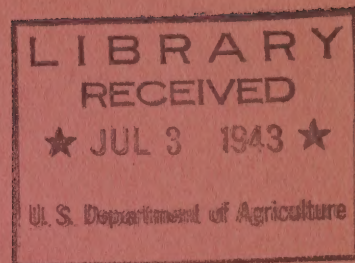


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SUGGESTED STEPS TO BE TAKEN FOR THE CONSTRUCTION  
AND SUCCESSFUL OPERATION OF YOUR PROJECT

ISSUED BY:

DEPARTMENT OF AGRICULTURE  
U.S. RURAL ELECTRIFICATION ADMINISTRATION  
WASHINGTON, D. C.

USDA  
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Now that an allocation of funds has been made, your next steps are:

STEP #1: SELECTION OF AN ENGINEER

An engineering firm or a resident engineer should be selected promptly. The engineer will design and lay out the proposed system, prepare the necessary maps, reports, forms and documents and supervise the construction of the project.

The name and address of the engineering firm or resident engineer whose employment is contemplated should be submitted to REA as soon as possible. A detailed record of the qualifications should accompany the request for approval.

There are two methods of arranging for engineering service:

- (1) A contract may be entered into with an engineer or engineering firm to perform the work on a fee basis established by REA.
- (2) A resident engineer may be employed on a salary basis.

In the event that neither an engineering firm nor a resident engineer meeting the qualifications is available, REA will endeavor to suggest for your consideration responsible engineers or engineering firms.

If an engineering firm is selected, on approval by REA, a contract must be entered into between the borrower and the firm selected. This contract must then be forwarded to REA for approval. Forms will be supplied by REA, containing the suggested fee.

If a resident engineer is employed on a salary basis, it should be understood that he will spend full time on the job; that he will lay out the lines so that the most economical system will result; that he will cooperate in the securing of right of way easements; that he will assist and offer advice regarding load building; that he will assist in the obtaining of memberships; that he will assist in the training of an operating personnel; that he will, if necessary, remain with the project until a proper operating personnel has been organized.

No engineering contract is required when a resident engineer is selected. It is, however, necessary that the Board by resolution establish their choice and the rate of pay. This resolution with reasons for the selection of a resident engineer instead of an engineering firm should then be forwarded to REA for approval. When approval has been received, the resident engineer may be employed.

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STEP #2: SELECTION OF PROJECT SUPERINTENDENT

Your project will need a Superintendent on the job immediately after the date of allotment, through the period of construction and until a final decision regarding a Manager to operate the completed project has been made. Projects should, if possible, select as Superintendents men fitted to become Managers.

The Superintendent is chosen, and his salary and transportation fixed, by the Board of Trustees or Directors, subject to the approval of the Administrator. The salary and transportation of the Superintendent are paid out of the construction fund until three months after the energization of the distribution system.

Qualifications for an REA Project Superintendent

In the search for qualified superintendents, projects should not limit themselves to local talent. Membership on the Board of Directors is a disqualification, and the applicant must not be related or under financial obligations to any member of the Board.

Every Project Superintendent must have the approval of the Administrator of REA and continue to justify that approval by his all-around efficiency on the job.

- (1) The ability to establish and maintain good public relations for the project. Must furnish good references and be able to furnish the required fidelity bond.
- (2) Good health and sound body.
- (3) A good high school education, at least, as a foundation.
- (4) Practical experience in the management end of some substantial commercial or utility business.
- (5) Technical knowledge in the construction, operation, and maintenance of high voltage electrical distribution systems, including two years' practical experience, and the ability to select, train and supervise personnel. Practical experience in handling transformers, meters, motors, testing, and other standard electrical equipment is important. In the smaller REA projects, the superintendent must be a good lineman.
- (6) Sufficient knowledge to handle the wholesale and retail rate problems that will arise on an REA project.





(7) Knowledge of applicable safety codes and regulations, and methods of resuscitation.

(8) Enough ability as an organizer and "Salesman" to build up the project by increasing the membership density and the per member consumption of electricity.

(9) Must devote his whole time and attention to the job. Must not use his position, directly or indirectly, to increase his regular compensation from the project. Must not mix politics in the project's affairs.

(10) Sympathy with the Federal program for rural electrification. Sympathetic understanding of the principles of cooperation, preferably with some practical experience in a cooperative enterprise.

(11) Ability to drive an automobile and secure the necessary license.

(12) The applicant is requested to submit along with his application a 400-word letter addressed to the Board of Directors of the particular project in which he is interested, stating why he thinks he could qualify as superintendent of the project.

#### STEP #3: SELECTION OF BOOKKEEPER-STENOGRAPHER

Preferably, the Bookkeeper-Stenographer should be selected by the Project Superintendent with the approval of the Board. Good character, manners, health and education, and sound knowledge of bookkeeping and office practices and proficiency in stenography, are essential. The position should not be filled by a relative of the Superintendent or any member of the Board. Approval by the Administrator not necessary. A reasonable salary may be paid out of Construction funds. In the case of larger projects, additional help may be employed.

#### STEP #4: SELECTING AND FURNISHING AN OFFICE

Immediately after allotment a centrally located office should be selected and necessary equipment purchased. The rent and the cost of furnishings may be paid out of construction funds.

The Office should be entirely independent. Do not endeavor to squeeze into a small, poorly lighted and poorly ventilated space. If possible, select a room or building at least 25 feet by 50 feet in size. The office should be on the ground floor and advantageously located in a city or town, with respect to the control of the electric system and the convenience of the members. Good parking space is desirable. Display prominently the "REA-Coop" signs and the name of your organization. Attractive neon signs are available at reduced costs through REA.





STEP #5: UTILIZATION, LOAD BUILDING AND WIRING

The Project Superintendent will receive shortly a portfolio called "First Steps in Load Building." This booklet is designed to help him initiate the continuing educational program, timed to fit in with the important stages in the construction of the project.

The Superintendent should write for a copy of the "Farmstead Wiring Program." It is important that a systematic farm wiring program be carried out as construction cannot start on any given branch line until at least two-thirds of the members of that branch have signed contracts to have their premises wired. REA is prepared to make an additional loan to finance house wiring, lighting fixtures, plumbing, and certain special appliances which may be approved from time to time by the Administrator.

STEP #6: LOAN CONTRACT, NOTE AND MORTGAGE OR DEED OF TRUST, EASEMENTS

The Legal Division will send the Project Attorney a loan contract containing provisions covering the making of the loan, the disposition of the funds and the construction of the project. A note or bond to evidence the loan and a deed of trust or mortgage which will constitute security for it will also be sent. The instructions which will accompany these documents should be carefully followed and the members and Board of Trustees or Directors should be available for holding the necessary meetings authorizing the execution of these documents on behalf of the Borrower. Forms of resolutions to be adopted at these meetings will accompany the instructions.

Instructions concerning easements should be carefully followed and all necessary easements not yet obtained should be procured immediately so that the staking and construction of the project will not be delayed.

STEP #7: TELEPHONE INTERFERENCE

REA's telephone interference policy was first outlined in the Administrator's letter dated May 28, 1937, to project attorneys and engineers. To quote from the Administrator's letter:

"In our opinion - and this view is supported by the trend of court decisions over the country - a telephone company has no right to claim compensation from the owners of a power line unless it can show that it is operating a modern type of system, and unless it can further show that the power line was negligently constructed. Lines built to specifications approved by REA are not negligently constructed and, of course, modern telephone systems do not experience inductive interference."







Every effort should be made to avoid paralleling earth-return telephone systems. Where paralleling seems unavoidable, advance notice of the proposed construction should be given to the telephone company whose lines are to be paralleled and the whole problem discussed frankly with the telephone officials.

STEP #8: TREE TRIMMING

You people are starting out fresh; let's not have any sour notes. Disregard for other people's property strikes such a note. Besides, beautiful roadsides are rare enough in our day and age without our doing anything to mar the natural charm that is left.

We're not talking about necessary tree trimming, carefully carried out. Some trees have to go if the lines are to be properly laid out. There is a right way and a wrong way to do the necessary trimming.

STEP #9: MISCELLANEOUS ITEMS

After the Note and Mortgage or Deed of Trust have been executed, REA will send your project all necessary forms and instructions for requisitioning funds, and for additions to insurance. We will also send you instructions pertaining to the selection of a Bank as a depository, Auditing, Loan Repayments, and Budgets. You have received a copy of the Budget which should control your expenditures.

You will receive information concerning wholesale and retail rates, operating reports, etc.











